

## Article - Tax - General

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§13-812.

(a) (1) In this section the following words have the meanings indicated.

(2) “Account”, “account holder of interest”, and “financial institution” have the meanings stated in § 13-804 of this subtitle.

(3) “Obligor” means a person whose property is subject to a tax lien.

(b) (1) (i) The Comptroller may send notice of a tax lien to any financial institution that the Comptroller reasonably believes holds property subject to a tax lien.

(ii) The notice to be sent under this paragraph shall be provided by:

1. first-class mail, under the postmark of the United States Postal Service, at the address designated for this purpose by the financial institution or, if no address has been designated, to the principal office of the financial institution;

2. an electronic format agreed on by the Comptroller and the financial institution; or

3. any other reasonable manner as agreed on by the Comptroller and the financial institution.

(2) The notice to be sent by the Comptroller to a financial institution under paragraph (1) of this subsection shall contain:

(i) the name of the obligor;

(ii) the amount of the tax lien;

(iii) the last known address of the obligor;

(iv) the Social Security number or federal employer identification number of the obligor; and

(v) a notice to immediately seize and attach from one or more accounts held by the financial institution in the name of the obligor an aggregate amount equal to the lesser of the amounts in all accounts or the amount of the tax lien.

(c) (1) On receipt of the notice described in subsection (b) of this section, the financial institution promptly shall seize and attach from one or more of the accounts of the obligor held by the financial institution an aggregate amount equal to the lesser of:

(i) the total of the amounts in all the accounts of the obligor held by the financial institution; or

(ii) the amount stated in the notice sent under subsection (b) of this section.

(2) Within 30 days after the financial institution receives the notice directing it to seize and attach accounts of the obligor, the financial institution shall send notice to the Comptroller, in the manner specified in subsection (b) of this section, specifying the aggregate amount held under this subsection.

(3) (i) The financial institution may assess a fee against the accounts or the obligor, in addition to the amount identified in the notice under subsection (b) of this section.

(ii) In the case of insufficient funds to cover both the fee and the amount identified in the notice under subsection (b) of this section, the financial institution may first deduct and retain the fee from the amount seized and attached as provided in this section.

(4) The financial institution may not be held liable to any person, including the Comptroller, the obligor, or any account holder of interest, for wrongful dishonor or for any other claim relating to the seizure and attachment of an account or other actions taken in compliance with this section.

(d) (1) Within 10 business days after the Comptroller has received notice from the financial institution under subsection (c)(2) of this section, the Comptroller shall send a notice to the obligor, by regular mail, to the obligor's last known address.

(2) The notice shall contain the following information, to the extent known by the Comptroller:

(i) the address of the Comptroller;

(ii) the telephone number, address, and name of a contact person at the office of the Comptroller;

(iii) the name and Social Security number, federal employer identification number, or other taxpayer identification number of the obligor;

(iv) the address of the obligor;

(v) for each account of the obligor, the name of the financial institution that has seized and attached amounts as required by this section;

(vi) the total amount of the tax lien owed by the obligor;

(vii) the date the notice is being sent;

(viii) a statement informing the obligor that the Comptroller has directed the financial institution to seize and attach the amount of the tax lien owed by the obligor from one or more of the accounts of the obligor and, on subsequent notice by the Comptroller, to forward the amount to the Comptroller; and

(ix) a statement informing the obligor that, unless a timely challenge is made by the obligor or an account holder of interest under subsection (g) of this section, the Comptroller shall notify the financial institution to forward the amount seized and attached by the financial institution to the Comptroller.

(3) The Comptroller shall not be obligated to send the notice described in paragraphs (1) and (2) of this subsection if, prior to the time that the notice must be sent, the Comptroller and the obligor agree to an arrangement under which the obligor will pay amounts owed under the tax lien.

(e) (1) If a timely challenge is not made by the obligor or an account holder of interest under subsection (g) of this section, the Comptroller shall send a notice to the financial institution, in the manner specified in subsection (b) of this section, directing the institution to:

(i) forward the amount seized and attached by the financial institution to the Comptroller;

(ii) reduce the amount seized and attached by the financial institution to a revised amount as stated, forward the revised amount to the Comptroller, and release the excess amount; or

(iii) release the amount seized and attached by the financial institution.

(2) The Comptroller may send the notice described in paragraph (1) of this subsection before the time for filing a timely challenge under subsection (g) of this section on agreement among the Comptroller, the obligor, and, if the Comptroller is aware of an account holder of interest, the account holder of interest.

(f) The Comptroller shall apply the amount seized and forwarded by the financial institution to the obligor's tax lien obligation.

(g) (1) An obligor or an account holder of interest may challenge the actions of the Comptroller under this section by filing a motion with the circuit court within 10 days of the date of the notice sent under subsection (d)(1) of this section.

(2) An obligor or an account holder of interest may challenge the actions of the Comptroller based on:

- (i) a mistake in the identity of the obligor;
- (ii) a mistake in the ownership of the account;
- (iii) a mistake in the contents of the account;
- (iv) invalidity of the Comptroller's actions under § 11-603 of the Courts Article;
- (v) a mistake in the amount of the lien obligation due; or
- (vi) any other good cause.

(3) An obligor or an account holder of interest may not challenge the actions of the Comptroller based on a mistake or error in the original tax assessment underlying the tax lien against the obligor.

(h) (1) The Comptroller may withdraw the notice to seize and attach accounts by sending notice to the financial institution, in the manner specified in subsection (b) of this section, directing the financial institution to release the attachment on the accounts.

(2) If a determination is made by the Comptroller or by the circuit court that the account or accounts of the obligor should not have been held, the Comptroller shall notify the financial institution, in the manner specified in subsection (b) of this section, to release the amount seized and attached by the financial institution.

(3) If a determination is made by the Comptroller or by the circuit court, pursuant to a challenge under subsection (g) of this section, to reduce the amount seized and attached by the financial institution, the Comptroller shall notify the financial institution, in the manner specified in subsection (b) of this section, to revise the amount as stated, forward the revised amount to the Comptroller, and release the excess amount seized and attached by the financial institution.

(4) If a challenge made under subsection (g) of this section is denied by the circuit court, the Comptroller shall notify the financial institution, in the manner specified in subsection (b) of this section, to forward the amount seized and attached by the financial institution to the Comptroller.

(i) A financial institution that complies with a notice from the Comptroller sent under this section is not liable under State law to any person for:

(1) any disclosure of information to the Comptroller under this section;

(2) seizing and attaching any amounts from an account or sending any amount seized and attached by the financial institution to the Comptroller; or

(3) any other action taken in good faith to comply with the requirements of this section.

(j) A financial institution has no obligation to reimburse fees assessed as a result of the Comptroller instituting an action under this section or as otherwise permitted by law or authorized by contract.

(k) This section may not be construed to prohibit the Comptroller from collecting taxes due from the obligor in any other manner authorized by law.

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